PacifiCenter (a) Long Beach

An Analysis of Employment Growth and Housing

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PacifiCentera Long Beach

The land use plan for the 260 acres master-planned campus includes office, tech-related and light industrial space, supported by an advanced technology infrastructure, hotels and amenities. Residential units-townhomes, condos, apartments, lofts, and single family residences-will be home to those who want to enjoy a lively cosmopolitan setting.

PacifiCenter 260 Acres

Queensway Bay

300 acres

California State University

324 acres

Long Beach Towne Center

102 acres

• PacifiCenter will be the largest single property to be privately developed in the history of Long

Beach

PacifiCenter Office Space 950,000 Sq Ft

| World Trade Center 553 | 3,000 |) sq | ft |
|--|-------|------|----|
|--|-------|------|----|

- Landmark Square 413,000 sq ft
- Shoreline Square 403,000 sq ft
- Arco Tower <u>436,000 sq ft</u>
 - Total 1,805,000 sq ft

• Kilroy Center (5 buildings) 953,176 sq ft

PacifiCenter Retail Space 150,000 Sq Ft

• The Towne Center 1,000,000 sq ft

• City Place 454,000 sq ft

• Wal-Mart 125,000 sq ft

Marina Pacifica
 292,000 sq ft

PacifiCenter R&D/Light Industrial 2,200,000 Sq Ft

- Net reduction of 2.3 million square feet of manufacturing space in Boeing Facility
 - Long-term baseline Long Beach forecast calls for job losses of 4,000 in durable goods manufacturing employment
 - Baseline forecast assumes continued presence of Boeing in Long Beach

PacifiCenter Residential Units

Residential units: townhomes, condos, apartments, lofts and single family residences—will be home to those who want to enjoy a lively cosmopolitan setting.

2,500 residential units

Mayor Beverly O'Neill, "State of The City Address," January 9, 2001

"...PacifiCenter is a unique opportunity for Long Beach....This development will take Long Beach a long way towards becoming one of the most significant technology developments in all of California. In addition to the creation of thousands of jobs, PacifiCenter will also significantly add to property values in the surrounding areas."

The Importance of Housing and Mixed Use Development

Housing Decisions

- Demographics
- Income
- Financing
 - Satellite Communities vs. Central Cities
 - Government Supported Infrastructure
 - Security
 - Convenience

The Disconnect: Housing and Job Centers

"... The impacts of the "disconnection" between job centers and housing will contribute to stressful commutes, increased traffic congestion due to more cars on the road, and expanding urban sprawl caused by continuing development farther away from job centers."

Southern California Association of Governments, January 2001.

Housing Decisions Catalyst for Change

- Congestion a catalyst for change
 - Use Land More Intensely
 - Mixed Use Development
 - Reclaim Brownfields
 - Urban Village to Planned Unit Development

Mixed Use Development Successful Projects

| Name | Location | Office sf million | Jobs | Housing |
|--------------------|-----------------------|-------------------|--------|---------|
| Forrestal Center | Princeton, NJ | 9.0 | 45,000 | 7,800 |
| Reston Town Center | Reston, VA | 1.8 | 9,000 | 900 |
| Trillium | Denver, CO | 4.0 | 20,000 | 4,000 |
| Warner Center | Woodland Hills, CA | 5.1 | 25,600 | 3,400 |

· Live, work and play

Mixed Use Development Employment and Housing Centers

"Increased competition for labor in highly technical fields have made lifestyle and cost of living issues a means of attracting employees." CA Division of Housing Policy Development

A Housing Crisis is Building in the Southern California Region!

"To the degree that it exists, any problem of *jobs* housing imbalance is fundamentally one of the barriers to the production of suitable housing in job-rich cities and subregions.

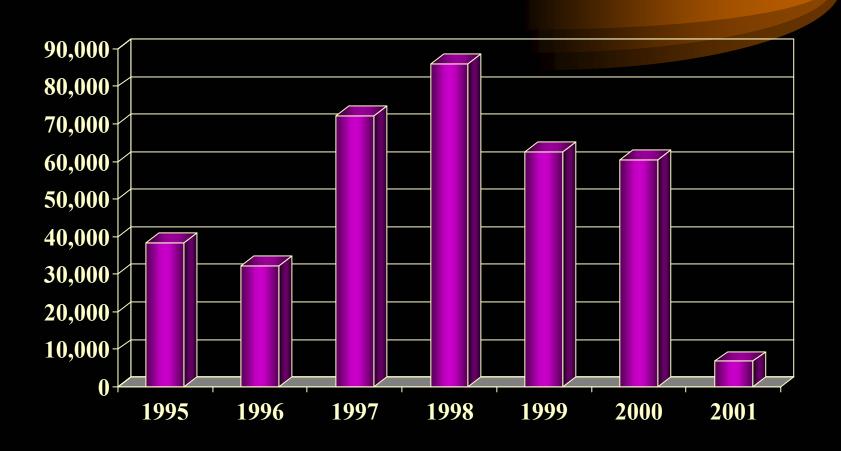
Over time, inadequate housing can lead to economic decline and exacerbate regional transportation and environmental problems."

Robert Cervero, "Jobs-Housing Balance Revisited," <u>Journal of the American Planning Association</u>, vol.62, 1996.

Regional Building Permits Issued vs. Change in Employment



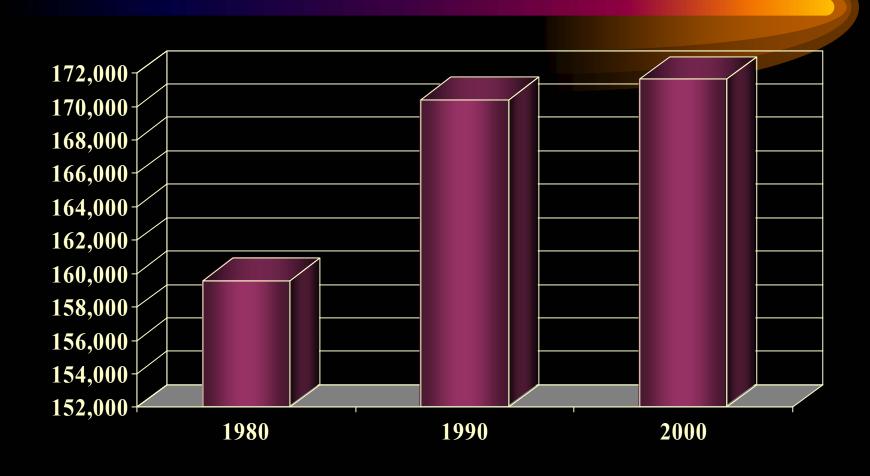
Estimated Regional Housing Shortfall (based 1 unit per 1.5 jobs)



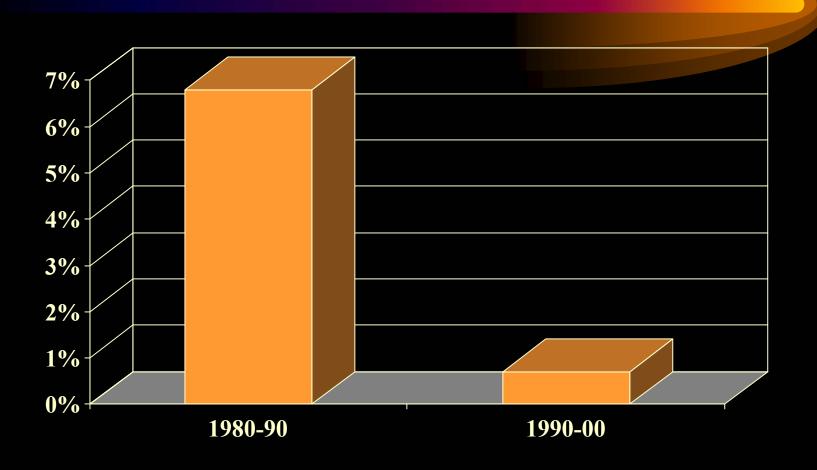
Cumulative Regional Housing Shortfall 1995-2001



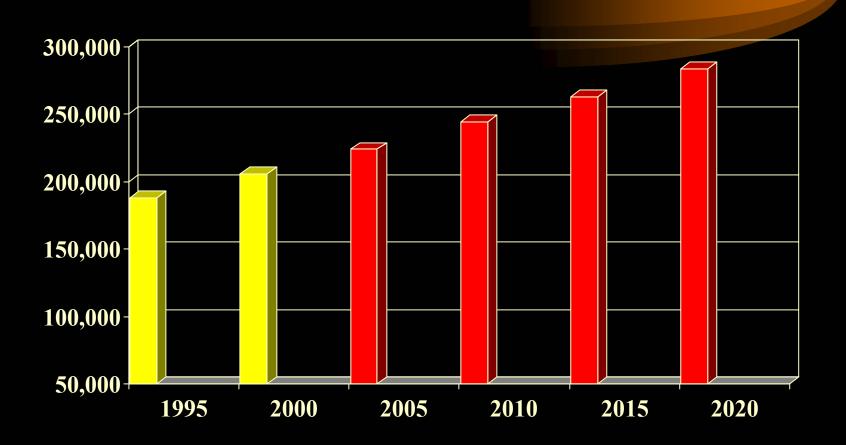
Housing Units City of Long Beach



Growth In Housing Units City of Long Beach



(Baseline) Long Run Employment Forecast City of Long Beach



How much new housing will Long Beach need to maintain the existing jobs/housing units ratio?

- Baseline forecast (without *PacifiCenter*) projects over *57,000* additional jobs by 2015.
- To achieve a jobs/housing units balance, Long Beach would have to add 38,000 new units by the year 2015.

"With Southern California having one of the strongest and largest economies in the world, the number of housing units that are being developed to match the increase and future economic growth are insufficient...

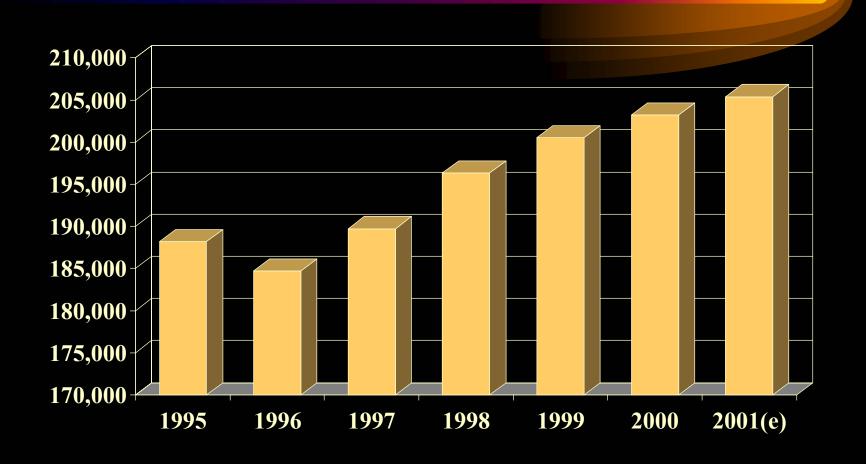
housing represents a major regional challenge and may be a key factor in whether the economic boom and prosperity of the SCAG region continues."

Southern California Association of Governments, Jan. 2001

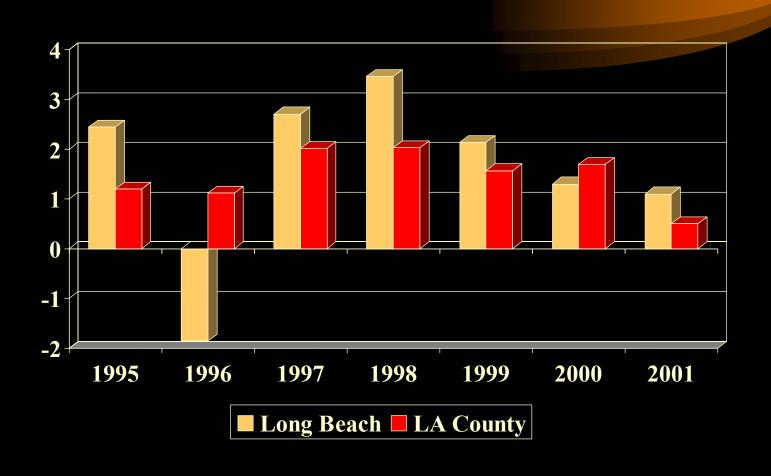
PacifiCenter (a) Long Beach

Employment Impacts

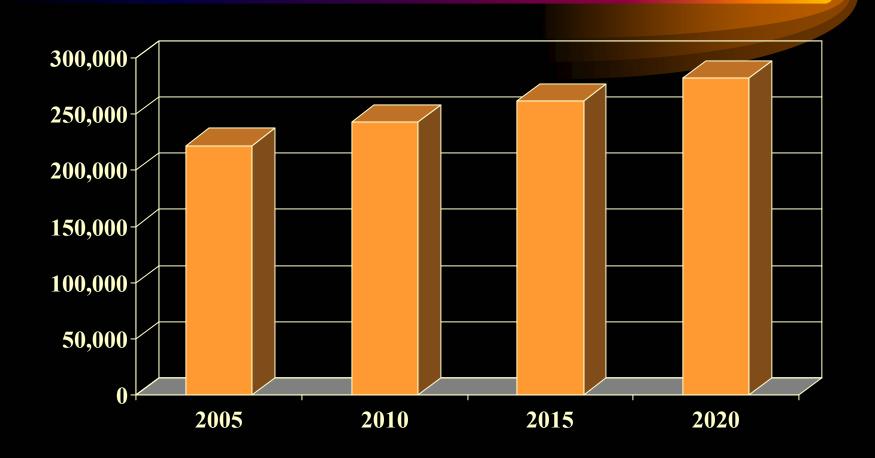
Total Nonfarm Employment City of Long Beach



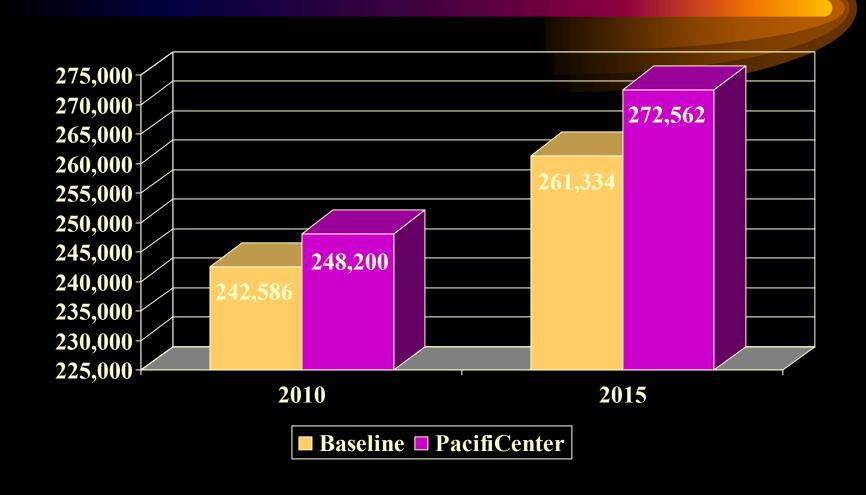
Total Employment Growth Long Beach and Los Angeles County



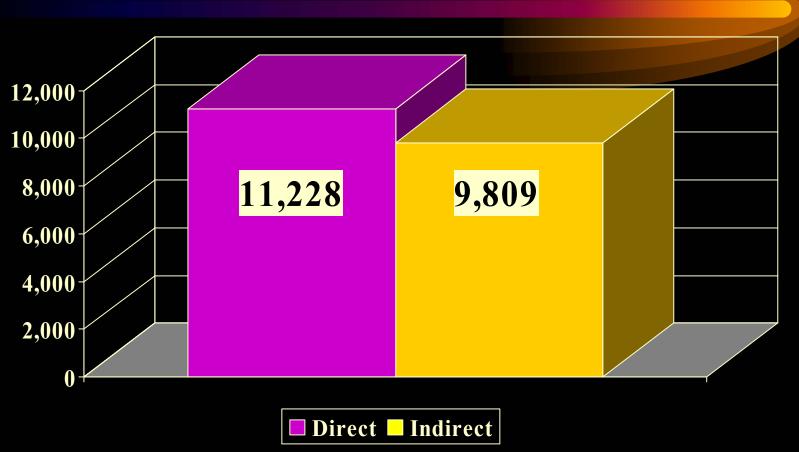
City of Long Beach Long Run Employment Forecast Baseline



Long Run Forecast Baseline and PacifiCenter



Incremental (Direct) Jobs Added by 2015, PacifiCenter



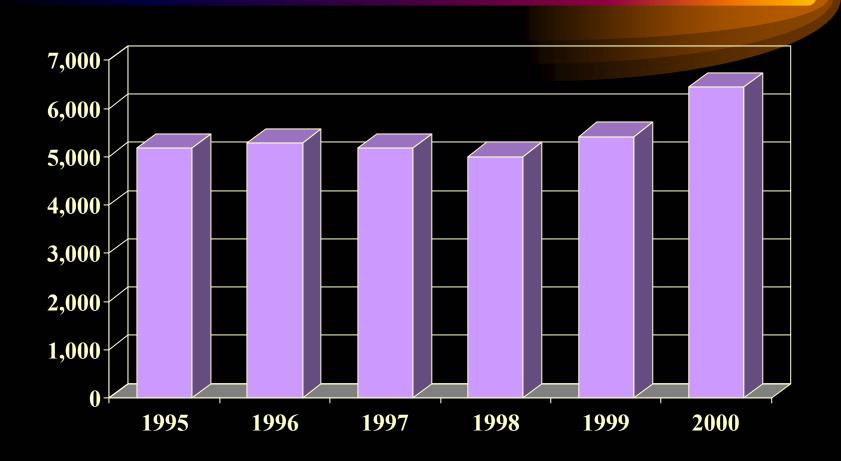
Direct Employment Gains Only

What about the quality of these jobs?

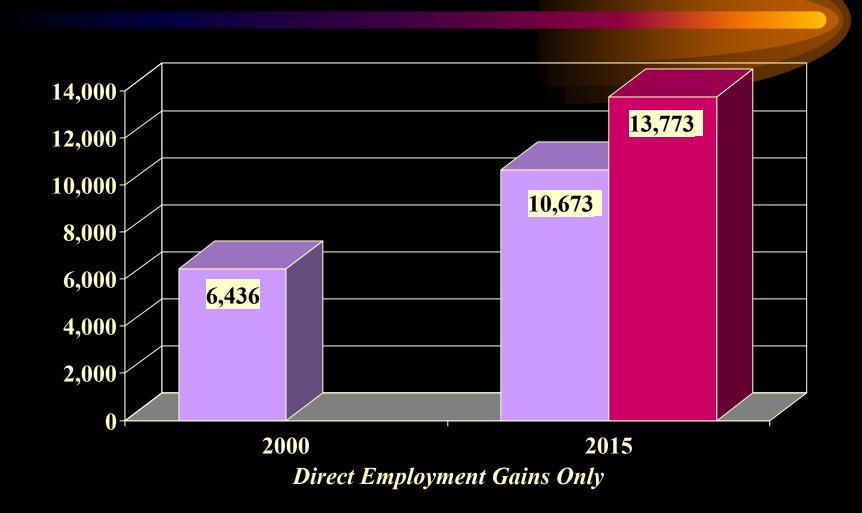
Job Quality and Wages

• PacifiCenter jobs will be highly concentrated in SIC industry 87 -- Engineering, Accounting, Research, Management, and Related Services

Long Beach Employment (SIC 87)
Engineering, Accounting, Research, Management,
and Related Services



Long Beach Employment (SIC 87): Baseline projection vs. projection including PacifiCenter



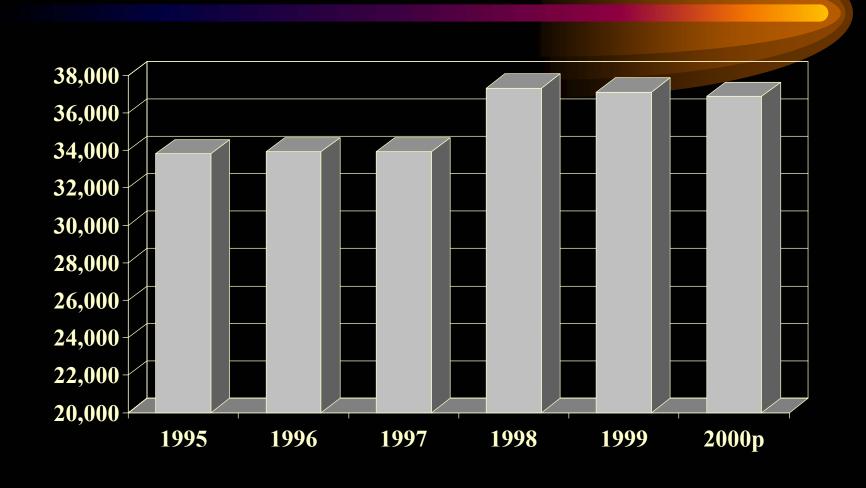
SIC 87 is a relatively high-paying sector

- Key occupations in this industry pay higher-than average wage.
- These include professionals in the business/finance, computer/mathematical sciences, and architecture/engineering categories.

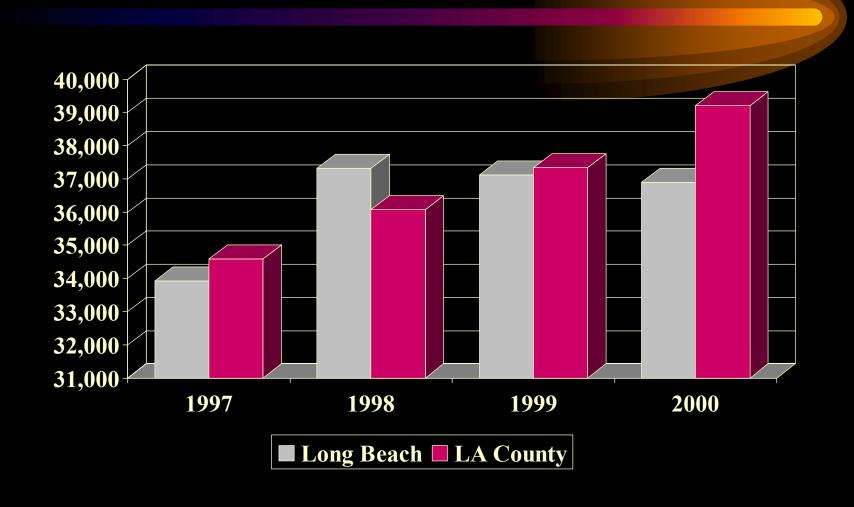
Los Angeles Mean Annual Wages (SIC 87) Engineering, Accounting, Research, Management, and Related Services

| Top Occupations | Percent of Workers | 2001 L.A. Wages |
|----------------------------------|--------------------|-----------------|
| Management Occupations | 14.3% | \$81,590 |
| Business and Financial | 14.8% | \$52,614 |
| Computer & Mathematical | 6.3% | \$60,618 |
| Architecture & Engineering | 19.1% | \$61,221 |
| Life, Physical & Social Sciences | 5.8% | \$49,600 |
| Office & Administrative Support | 22.6% | \$29,608 |
| Average, All L.A. | | \$36,540 |

Average Payroll City of Long Beach



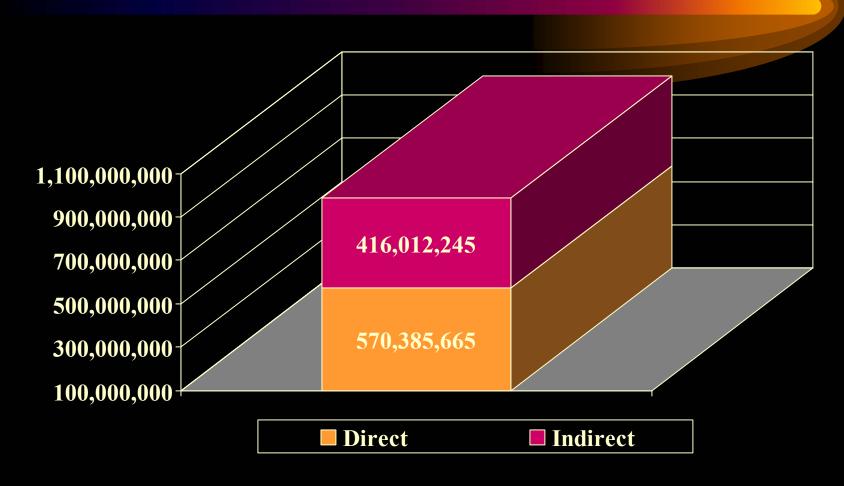
Average Payroll City of Long Beach vs. LA County



Impact of PacifiCenter (Plan One) on Long Beach Wages

- In 2000, the average payroll (all industries) in Long Beach was \$36,889.
- The average payroll of *incremental* jobs created in the *PacifiCenter* development will be \$51,000 (in 2000 dollars).

Total Wage Impact on the Regional Economy \$ 1.0 billion



Summary

- **PacifiCenter** is the largest single parcel to be privately developed in the City of Long Beach
- Mixed use development is an integral component in urban land use
- The housing component of *PacifiCenter* is not only important to the success of this project but an important element in addressing the pending housing shortfall, which confronts the region

Summary (continued)

- **PacifiCenter** will add 11,000 jobs to the Long Beach employment base by 2015
- Many of the new jobs will be in SIC 87, which includes most of the high-tech jobs
- These jobs will generate an average annual wage of \$51,000, which is almost 40% above mean annual payroll
- PacifiCenter will generate a total wages, direct and indirect, of \$1.0 billion

Summary (continued)

- If Queensway Bay is envisioned as reestablishing Long Beach as the premier waterfront destination in the Southland then PacifiCenter is an integral component in establishing Long Beach as one of the premier technology centers in the Southland.
- PacifiCenter adds high paying jobs, which will, in turn, enhance the economic base of the City and Region.